

ALBUQUERQUE MORNING JOURNAL

TWENTY-SEVENTH YEAR

ALBUQUERQUE, NEW MEXICO, TUESDAY, DECEMBER 19, 1905.

By Carrier, 60c a Week.
By Mail, \$5.00 a Year in Advance.
La Osa del Pueblo
La Voz del Pueblo
PRICE 5 CENTS

PLOSIEVA BILLYERGES UP GAME FIGHT

Three Chicago Banks Biggest in the West Collapse With Crash Heavy Railroad Loans to Walsh Wreck Big Institutions.

PROMPT ACTION OF FINANCIERS PREVENTS TREMENDOUS PANIC

Chicago, Dec. 18.—Three of the largest financial institutions in the west, the Chicago National Bank, the Home Savings Bank, and the Equitable Trust Co., all of them controlled by John R. Walsh of this city, and in great measure owned by him, suspended operations today. Their affairs will be liquidated as rapidly as possible and they will go out of business.

Mr. Walsh, who was president of the Chicago National Bank, the Home Savings Bank, and the Equitable Trust Co., has succeeded Mr. Walsh at the head of the Chicago National Bank, and the places of the directors have been filled by men appointed by the Chicago clearing house.

Back of the new management stand the allied banks of Chicago, who have pledged their resources that every depositor shall be paid to the last cent and that no customer of any one of the three institutions shall lose anything by reason of the suspension.

Had not this action been taken by the banks of this city a disastrous panic must have followed in the financial world. As it was, the only effect in this city was the decline on the local stock exchange of 2 1/2 in the price of National Biscuit common stock, which has since recovered. The Equitable Trust as transfer agent and had beside dealings with the Chicago National Bank, but it is not affected by the failure of the other two banks. The closing of the two banks had the effect of also shutting off all demand on the local exchange for bank stocks, none of them being purchased.

The immediate cause of the collapse of the institution controlled by Mr. Walsh is said to be the large amount of money loaned to various enterprises of his—namely the Southern Indiana Railway and the Bedford Quarries company of Indiana. Mr. Walsh claims that if he could have had a little more time and been left undisturbed in his operations he could have saved his banks and made enormous profits for himself and his associates. He bases this statement on his estimate of the value of the bonds of the Southern Indiana Railway company. The controller, the state auditor and members of the Chicago clearing house committee have valued the bonds at one-half the valuation of Mr. Walsh, and it was their refusal to accept his valuation that caused the suspension of the banks.

Liabilities Are Enormous.
The liabilities of the three institutions are estimated in the aggregate at \$26,000,000. Against that amount the banks and the clearing house have resources that are on a conservative estimate worth \$16,000,000. The bonds of the Southern Indiana Railway company are valued at \$16,000,000. They are considered by the controller and clearing house committee to be worth a little more than the sum. Their value is a matter to be determined in the future, and the presidents of the local banks admit that if the estimate of Mr. Walsh is found to be correct, the banks and the trust company will not only pay all of their debts but leave a surplus besides. The directors of the two banks and the clearing house have over all of his property as well as that standing in the name of his wife, have pledged their real estate and securities valued at \$5,000,000, and estimated the railroad bonds at \$5,000,000 more, making a total of \$26,000,000 assets against \$26,000,000 liabilities.

Dispute of Long Standing.
For some time there has been a difference of opinion between the officers of the Chicago National Bank and Comptroller Rideley regarding the method of conducting the affairs of the bank. The controller took exception to the large loans made by the bank to the private enterprises of Mr. Walsh, and declared that a portion of them must be called in. The assurances were given to him, he declares, that this would be done, but the promises were not kept. Finally the incentive to a close scrutiny of the affairs of the Chicago National and Home Savings bank was given by a banker in New York who had been requested to make part in a syndicate to furnish a loan of \$6,000,000 to Mr. Walsh for the purpose of further expenditures on the Southern Indiana railroad. The bonds of the company, however, did not sell as rapidly as expected and the state and national examiners were apprised of the failure of the loan. Up to this time the banks had been examined separately and enabled them to transfer securities bank and forth.

Examiners Investigate.
It was decided that a state examiner and the national examiner should make a simultaneous investigation. This showed that the institutions had loaned a large amount, estimated all the way from \$10,000,000 to \$15,000,000 on the securities of the railroads that were owned practically by Mr. Walsh alone. It is said that the paper for the loan was signed by clerks, and that they were substantiated by bonds of Mr. Walsh's railroads, the Southern Indiana, the Chicago Southern, which is an extension of the Southern Indiana, and the Wisconsin and Michigan. When the examiners had concluded their report, Mr. Walsh asked for a little time, saying that he could raise the money to straighten out everything. He was not as successful in his hope, and when Comptroller Rideley was informed of the fact he came at once to Chicago.

He called a meeting of the members of the Chicago clearing house and informed them of the situation. The meeting was held in the office of the president of the First National bank.

It was announced Saturday morning that the banks had practically suspended operations and that all depositors would be paid in full by the other banks of the city.

The officers of the Chicago National Bank were:
President—John R. Walsh.
Vice President—F. M. Blount.
Directors—John R. Walsh, F. M. Blount, John M. Smith, William C. G. Billings, F. G. McNally and Maurice Rosenfeld.

The deposits in the bank were \$14,483,000, and there is due to other banks \$2,038,851.

The officers of the Home Savings Bank were:
President—William Onahan.
Vice President—Maurice Rosenfeld.
Directors—C. K. G. Billings, Maurice Rosenfeld, John M. Smith, W. J. Onahan, William Best, John R. Walsh.

The officers and directors of the Equitable Trust Co. were practically the same as those of the Home Savings Bank, with the exception of Mr. Walsh, who was president in place of Mr. Onahan. The Home Savings Bank had savings deposits of \$2,560,000. The Equitable Trust Co. has outstanding certificates of deposit and accrued interest in the amount of \$1,289,000, and deposits in trust values at \$2,038,851.

There is no question of the availability of any of the assets of the two latter institutions, and a doubt as to the value of the Southern Indiana among the securities held by the Chicago National Bank.

Thought to Be Well Managed.
Whatever might have been known in the inner financial circles of the condition of the Chicago National Bank, it was by the public believed to be the most strongly managed institution in the west. Excitement ran high, therefore, when it was announced in the extra editions of the morning papers that the banks were involved. The statement of Comptroller Rideley and the published announcement of the Chicago Clearing House to the effect that the other banks of the city had pledged that all depositors would be paid in full, however, around the Chicago National there was no disturbance during the day. There was a run on the bank, but it was quiet and orderly. Those who called at the bank to inquire into the condition of affairs were told that they could withdraw their money any time they pleased; that the bank was open for business and that all business save that of taking in money or making loans. All checks that were presented at the window of the paying teller were promptly paid and all accounts were liquidated as soon as presented. Within an hour all business save that of taking in money or making loans. All checks that were presented at the window of the paying teller were promptly paid and all accounts were liquidated as soon as presented.

The savings depositors of the Home Savings Bank did not take the situation as calmly as did the customers of the National Bank and by the time the doors were opened there was a line of 500 people waiting to withdraw their accounts. Ample provision had been made to meet the run, and all accounts were liquidated as soon as presented. Within an hour all business save that of taking in money or making loans. All checks that were presented at the window of the paying teller were promptly paid and all accounts were liquidated as soon as presented.

Shortly after noon it was announced that all of the officers and directors of the Chicago National Bank had tendered their resignations, with the exception of C. K. G. Billings, who is out of the city. The place of Mr. Walsh was filled by the selection of Bank Examiner C. H. Bosworth, and the following committee was selected by the clearing house to act as directors in the place of those resigned.

James B. Forgan, president of First National Bank; John J. Mitchell, president of Illinois Trust Bank; Orson Smith, president of Merchants' Loan Association; James H. Eckels, president of Commercial National Bank; Byron L. Smith, president of Northern Trust Co.; C. K. G. Billings.

What Caused the Crash.
Local financiers place all of Mr. Walsh's troubles at the door of the Southern Indiana railroad. A number of years ago he purchased the Bedford stone quarries in Indiana. The shipping outlet for the quarries was a close security of the affairs of the railroad, and he soon became involved in arguments with the Monon and Chicago & Eastern railroad, declaring they were charging him a rate of freight that was arbitrary and high. He practically constructed the Southern Indiana line, and ultimately secured by means of it an outlet for his quarries, which brought them easily in access with Terre Haute, where he came in contact with the Eastern Illinois. He determined to build for his road a terminal into Chicago, and bent all his energies to this end. The fight was not so good as he desired and he several years and it was bitter and expensive, especially to Mr. Walsh. At one time the capitalists in control of the Chicago and Eastern Illinois bought up of the coal mines along the line of the road Mr. Walsh was proposing to build into Chicago, and

he was completely shut out of all prospect of having the coal mines put in the position of being compelled to transport his own fuel. He at once bought up an immense acreage of coal lands which had not been developed, and thus sunk a large amount of money that he intended to use for the construction of his railroad. The proposed line from Terre Haute to Chicago has not yet been built, but Mr. Walsh has never lost faith in his ability to construct it.

Political Change a Factor.
Another heavy drain on the resources of the Chicago National Bank has been the change in political conditions in Chicago. The officers of the Chicago National Bank have always been active in local politics and the bank has handled large sums of money for the city, the county, the drainage canal and the different park boards.

The Chicago National was also a depository for state funds to a large extent. After the last state election a man was elected treasurer who was not friendly to the Chicago National Bank, and he promptly withdrew over \$2,000,000 which the state had in the institution. Then Vice President Blount, who was treasurer of the West Park Board, went out of office and it was generally expected that the funds which he had secured by virtue of his position would be withdrawn. This money amounted to \$2,000,000.

The newly elected officers of the drainage canal were also expected to pull out all money which the sanitary district had placed in the bank and this amounted to \$2,500,000. The bank was unable to count on these funds just at the time it needed them most, and Mr. Walsh was compelled to seek in the east for assistance, and the failure of his efforts there brought on the suspension of the banks here.

Walsh's Nerve Unimpaired.
He appeared at the bank during the afternoon and although he has not been in good health of late, appeared cheerful and confident.

"There is nothing I can say," he said, when asked for a statement of the affairs leading up to the suspension of the bank. "I am out of the bank entirely, and Mr. Bosworth is in control. All statements that are made regarding the condition of the bank must come from those who are running it. It is enough that all depositors will be paid in full. No man is going to lose a dollar through this trouble."

He declined to say anything regarding the matters which led up to the difficulty.

CHINESE HATE BOYCOTT SAM BITTER HOSTILITY RESULT OF UNABATED BOYCOTT

San Francisco, Cal., Dec. 18.—Advices received from the Orient by the steamer Korea indicate that there has been no abatement of the Chinese boycott on American goods. It is reported that at Hong Kong there are 750,000 unsold cases of coal oil and that 500,000 cases cannot find a purchaser at Canton. This trade animosity, it is alleged, has developed into a bitter hostility not only against American products, but also against people from the United States. In the leading cities of China, it is said that store windows bear signs reading "No American goods sold here." This boycott is declared to be carried out to the letter.

According to the Post of this city, the boycott which was principally come under the Chinese ban are those of the Standard Oil company, the American Tobacco company, a leading sewing machine company, the local fire and other manufacturers. Representatives of some of the firms most directly interested recently met with officials of various Chinese guilds at Canton and were informed that the boycott would continue until satisfactory assurances were received that American restrictions regarding the landing of Chinese merchants and students were removed. It is asserted that the local industry of the Pacific coast is suffering most from the boycott, as shipments to the far east have greatly decreased of late. In consequence, the millers of Australia and Canada are said to be profiting.

STANDING COMMITTEES ARE ANNOUNCED IN THE SENATE.
Washington, Dec. 18.—The standing committees of the senate were announced today. Every republican senator was given a chairmanship except Burton of Kansas, who was ignored entirely as to assignments, in response to his request that he be not placed on any committee pending the determination of the charges against him in the courts. Vacancies were left for Senator La Follette of Wisconsin, and Senator Garlin of Oregon, neither of whom has been sworn in.

LAST FIGHT OF THE CZAR

WORKMEN DECLARE THRONE OF ROMANOFFS WILL FALL

St. Petersburg, Dec. 18.—The workmen's council, under the very noses of the police, has succeeded in printing a hundred thousand copies of its paper and has declared a civil war on the proletariat, and saying that the challenge must be accepted.

In its appeal to the people, the council declares this is the government's last fight; that the throne of the Romanoffs is tottering, and that another blow will cause it to fall.

BALTIC INSURGENTS ARE THREATENING THE CITIES.
St. Petersburg, Dec. 18.—The insurgents in the Baltic provinces hold several towns and large sections of the country and are threatening the larger cities.

The insurgents of Livonia, according to authoritative views, despatched on December 14, near Stockmanof, a military train which was carrying reinforcements from Vilna to Riga. They attacked the survivors of the wreck.

New Mexico's Next Governor Who Is in Albuquerque Today



HERBERT J. HAGERMAN.

BAILEY WANTS MR. STEPHENS TO TRY THE SENATE FOR GRAFT

Says It's "No Place to Make Money Dishonestly."

Washington, Dec. 18.—Gray and Britton, attorneys of Washington announcing themselves counsel for J. J. Hagerman, of Roswell, N. M., and the Santa Fe railroad, called on Congressman Stephens, of Texas, today with reference to his resolution calling upon Secretary Hitchcock for light on the creation of the San Francisco forest reserve in Arizona and the part played in the transaction by the railroad people. The attorneys informed Stephens that his sole purpose in putting a few questions to the attorney found them entirely ignorant of the situation and unable to answer his questions. Among the questions asked by Stephens was whether J. Hagerman or the railroad owned the fee land certificates, Moses, Gray and Britton answered that they did not know where the title was at present, and also denied knowing that there are settlers on the land selections of the railroad company in the Pecos valley. It is apparent that a fight will be made in committee to prevent the body reporting the Stephens resolution favorably. Already a brief has been filed by Hagerman's attorneys. This seems to be the first gun. Stephens said tonight that his sole purpose in pushing his resolution was to protect settlers in the Pecos valley and that as far as he was concerned he would stand by the rights of these people. He said further that if there is anything crooked he proposes to make the matter known.

The charge against Hagerman and the railroad is that his company has run its road through the country it depleted the tract in question of its forest growth and then brought influence to bear so that this tract was included in the forest reserve. In this way making it possible for Hagerman to speculate to make fee land selections elsewhere in the territory.

MAY DEFEAT BOYCOTTERS.
Singapore, Dec. 18.—In connection with the American boycott, the Chinese employees at Tanjong Pagar and Government docks refused to repair the Standard Oil Co. steamer. Agents of the American consul appealed to the governor, with the result that the latter threatened to deport all the Chinese who refused to work. Armed Sikh police were ordered to prevent disorders. The Chinamen eventually resumed work. It is expected that the ringleaders will be deported.

Another Yaqui Murder.
Tucson, Ariz., Dec. 18.—Hermosillo advices state that last Saturday afternoon a band of Yaqui Indians waylaid Fernando Maytorera, one of the wealthiest merchants in Sonora, Mexico, on the outskirts of the village of Maytorera, and killed him and his driver. The Yaqui are now more than ever before and killings are said to be frequent.

Livonia Beyond Control.
St. Petersburg, Dec. 18.—The southern part of Livonia and the greater part of Courland are completely in possession of the insurgents. The military are not much too feeble to cope with the situation.

Andrews Secures Mail Route.
Washington, Dec. 18.—Deleage Andrews today secured an order from the postoffice department for the automobile mail route from Roswell to Torrance about 100 miles. It will be six hours' trip.

HOUSE TAKES AT LENGTH ON EVERYTHING IN GENERAL.
Washington, Dec. 18.—Insurance, housing, the suffering Russian Jews and immigration were all topics of discussion in the house today under the general leave of talk. The only business done was to send the canal appropriation bill to conference.

MILLS' Nomination Confirmed.
Washington, Dec. 18.—The senate in executive session today confirmed the nomination of William Mills to be chief justice of the supreme court of New Mexico.

Andrews Secures Mail Route.
Washington, Dec. 18.—Deleage Andrews today secured an order from the postoffice department for the automobile mail route from Roswell to Torrance about 100 miles. It will be six hours' trip.

HOUSE TAKES AT LENGTH ON EVERYTHING IN GENERAL.
Washington, Dec. 18.—Insurance, housing, the suffering Russian Jews and immigration were all topics of discussion in the house today under the general leave of talk. The only business done was to send the canal appropriation bill to conference.

MILLS' Nomination Confirmed.
Washington, Dec. 18.—The senate in executive session today confirmed the nomination of William Mills to be chief justice of the supreme court of New Mexico.

Andrews Secures Mail Route.
Washington, Dec. 18.—Deleage Andrews today secured an order from the postoffice department for the automobile mail route from Roswell to Torrance about 100 miles. It will be six hours' trip.

HOUSE TAKES AT LENGTH ON EVERYTHING IN GENERAL.
Washington, Dec. 18.—Insurance, housing, the suffering Russian Jews and immigration were all topics of discussion in the house today under the general leave of talk. The only business done was to send the canal appropriation bill to conference.

MILLS' Nomination Confirmed.
Washington, Dec. 18.—The senate in executive session today confirmed the nomination of William Mills to be chief justice of the supreme court of New Mexico.

Andrews Secures Mail Route.
Washington, Dec. 18.—Deleage Andrews today secured an order from the postoffice department for the automobile mail route from Roswell to Torrance about 100 miles. It will be six hours' trip.

HOUSE TAKES AT LENGTH ON EVERYTHING IN GENERAL.
Washington, Dec. 18.—Insurance, housing, the suffering Russian Jews and immigration were all topics of discussion in the house today under the general leave of talk. The only business done was to send the canal appropriation bill to conference.

MILLS' Nomination Confirmed.
Washington, Dec. 18.—The senate in executive session today confirmed the nomination of William Mills to be chief justice of the supreme court of New Mexico.

Andrews Secures Mail Route.
Washington, Dec. 18.—Deleage Andrews today secured an order from the postoffice department for the automobile mail route from Roswell to Torrance about 100 miles. It will be six hours' trip.

HOUSE TAKES AT LENGTH ON EVERYTHING IN GENERAL.
Washington, Dec. 18.—Insurance, housing, the suffering Russian Jews and immigration were all topics of discussion in the house today under the general leave of talk. The only business done was to send the canal appropriation bill to conference.

HAGERMAN BELIEVES IN NEW MEXICO

REPORTS ON WATER PLANT VALUATION

New Governor Will Work Expert Riffle's Findings in Hands of the Council.

Visits Albuquerque on Way To Secure Santa Fe Residence

Brainy Young Man From the Pecos Believes All Classes Are With Him in Fight on the Tiger.

VALUE OF EXISTING PLANT FOUND TO BE \$258,000

Estimates Adequate System Would Cost Half a Million—\$290,000 to Reproduce Present System.

At the regular meeting of the city council last night, the special committee on water works presented to the council the report of A. S. Riffle, the expert employed some weeks ago by the council to examine and estimate the value of the present water works system; the cost of reproducing the existing water system, and to estimate the cost of a new and adequate water works system for Albuquerque.

The report is given exhaustively and in the greatest detail, both as to the value of the existing plant and as to the cost of a new and adequate system. Briefly the report places the value of the present plant, allowing for depreciation and as it now exists at \$258,000. It finds that the plant represents an investment of \$312,958 and that to reproduce the present plant under existing market conditions would cost \$290,330.

The expert estimates the cost of a new system adequate to the needs of Albuquerque, at \$533,566. The special water committee in presenting Mr. Riffle's report to the council, made the following report: To the Honorable Mayor and the City Council of the City of Albuquerque: We, the special committee heretofore appointed to select and employ an expert to make an estimate of the value of the water plant in this city, the same not to include franchise, water rights and established business, but merely the cost of construction, leave to herewith present to the council the said report and also the estimate of the said expert as to the cost of building a new plant capable of supplying the city with water. We recommend that the next step to be taken is to commence negotiation with the Albuquerque Water company to ascertain for what price the plant could be purchased and the advisability of so doing.

THOS. N. WILKERSON, Ch'm.
THOMAS ISHERWOOD,
LOUIS LIPOLD.
Owing to their volume, the reports were not read at the meeting last night, it being understood that copies would be placed in the hands of the councilmen, in order that they may read the documents and be thoroughly informed of their contents by the next regular meeting.

The committee's report was adopted by unanimous vote and by the same vote the committee was continued with instructions to take up the matter of a sale of the water works with the Water Supply company, to ascertain if the company would sell its plant and the city's portion of the cost of the examination and estimates.

The Expert's Reports.
The text of Mr. Riffle's report on the value of the property of the Water Supply company is as follows: Report on Value of Property of Water Supply Company, Albuquerque, New Mexico, November 1, 1905, by A. S. Riffle, Consulting Engineer, Albuquerque, N. M., Dec. 6th, 1905. To the Mayor and Members of the City Council of the City of Albuquerque, New Mexico.

On the basis of the volume, the reports were not read at the meeting last night, it being understood that copies would be placed in the hands of the councilmen, in order that they may read the documents and be thoroughly informed of their contents by the next regular meeting.

A resolution was also passed by which the fee to pay to Mr. Riffle the fees of \$600, the city's portion of the cost of the examination and estimates.

DESCRIPTION.
The capacity of the system is practically 3,000,000 gallons in 24 hours. The supply is furnished by a system of ten driven wells ranging in depth from 60 to 706 feet. Eight of these wells are 6 inches in diameter, 60 to 75 feet in depth, provided with Cook oratorical from 10 to 12 feet in length. The other two wells are 12 inches in diameter, 210 and 706 feet deep. All wells are connected directly to pumps by suction lines ranging from 6 to 20 inches in diameter. The wells will yield, approximately, 3,000,000 gallons in 24 hours.

Pumping Equipment, Station No. 1.
Consists of one high-duty Holly-Gaskill No. 3 horizontal duplex compound condensing engine, 14 and 24x12 1/2 with fly wheel. Its maximum capacity is about 3,000,000 gallons in 24 hours. Pump is located in a depressed pit, stone-walled, and several feet below level of underground flow.

Boiler.
Steam for Stations Nos. 1 and 2 is supplied by one 150 H. P. Springfield boiler of the Morrison corrugated type, 8 feet by 13 feet.

Building.
Pump house enclosing both pump and boiler is of artificial, 2 zone, 56 feet, 6 inches by 75 feet, 8 inches, and well constructed. Coal storage building, 22 feet by 36 feet, is also of artificial stone.

Pumping Station No. 2 (Emergency).
Consists of one Deane 8x12 Triplex vertical pumping engine electrically driven by one 65 H. P. Schenectady motor, 2080 volts. Capacity of pump, 1,500,000 gallons per day of 24 hours. Building, 14 feet by 28 feet, frame.

Pumping Station No. 3 (Emergency).
Consists of one Laidlow & Dunn Duplex Compound Pumping engine 14 and 24x12 1/2 with fly wheel. Its maximum capacity is about 3,000,000 gallons in 24 hours. Pump is located